

Company Overview

ACT Capital Advisors is pleased to offer a Residential Leak & Flood Protection Device company for acquisition. The Company manufactures and sells a family of Leak/Flood Protection Devices for the single-family and multi-family residential home market. Products are sold through 1) Plumbing Wholesale – Buy/Sell Reps; 2) Plumbing Wholesale – Direct; and 3) Online – Direct.

Operational Highlights

Comprehensive Residential Flood Protection: Water damage in a residential setting is costly to both the homeowner/tenant and to insurance companies. The Company’s devices are easily installed at high-risk points throughout the home (water heater, washing machine, sink, etc.). Devices are equipped with an I/O signal capability, allowing them to communicate with Building Management Systems in Multi-Family and Mixed-Use applications.

Highly-Portable Expansion Opportunity: The Company has no full-time employees, no facilities, and no dedicated sales team. The Company currently only sells through Plumbing Wholesale Buy/Sell Reps in twenty-two (22) states, with organized representatives in just ten (10) – 32 total.

Recognizable, Defensible Brand: The Company has two issued patents (one expired, one has seven years remaining), and registered trademarks for the Company’s brand. The brand has been around for 20+ years.

Clean Ownership Situation: The Company is wholly-owned by the Clients (husband and wife) who are interested in exploring retirement.

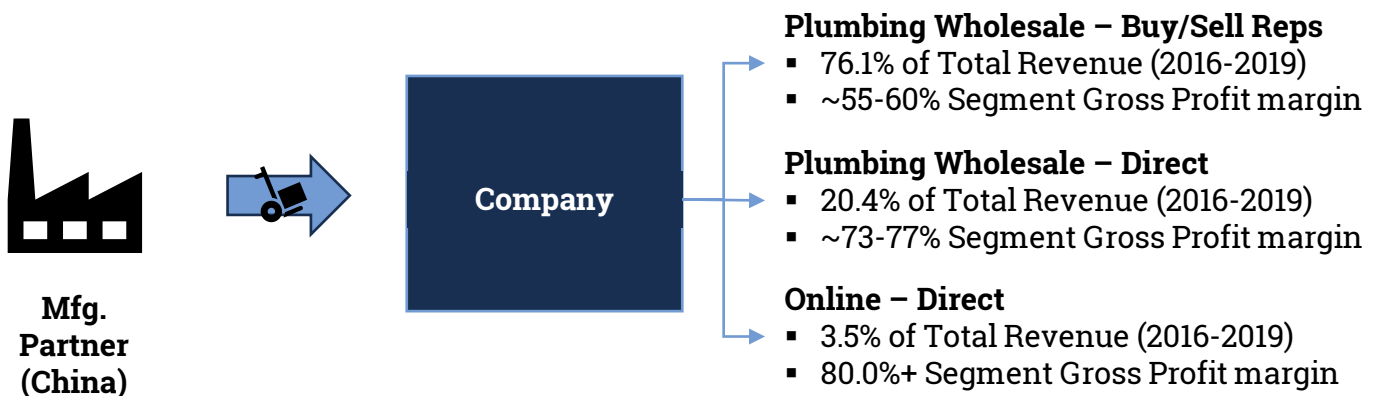
Reliable, Long-Term Supplier: The Company has been working with the same manufacturing supplier since 2008 and receives favorable 30-day Accounts Payable collection terms.

Robust Distribution Network: The Company sells product through three primary channels – Plumbing Wholesale Buy/Sell Reps; Plumbing Wholesale Direct; and Direct E-Commerce.

Strong Performance Despite COVID-19 Disruption: The Company is on pace to exceed 2019 Total Revenue despite ongoing disruptions caused by the COVID-19 pandemic. Gross Profit margin for 2020YTD (6/10) is a record-high 61.2%.

Turnkey E-Commerce Sales Channel: The online store is being transitioned to Shopify, which will drive user-experience (UX) design improvements and logistics cost savings. To date there has been insignificant spending on digital advertising.

Business Model



Financial Information (Historical & Pro-Forma)

(\$USD)	2016	2017	2018	2019	2020YTD ^(6/10)
Revenue	\$4,123,275	\$4,427,482	\$4,988,158	\$4,153,553	\$2,016,169
Gross Profit <i>Margin</i>	\$2,371,607 <i>57.5%</i>	\$2,571,532 <i>58.1%</i>	\$2,687,015 <i>53.9%</i>	\$2,399,801 <i>57.8%</i>	\$1,234,043 <i>61.2%</i>

(\$USD)	2020E	2021E	2022E	2023E	2024E
Revenue	\$4,361,230	\$4,579,292	\$4,808,256	\$5,048,669	\$5,301,103
Gross Profit <i>Margin</i>	\$2,520,791 <i>57.8%</i>	\$2,646,831 <i>57.8%</i>	\$2,779,172 <i>57.8%</i>	\$2,918,131 <i>57.8%</i>	\$3,064,037 <i>57.8%</i>

Financial Highlights

Highly-Profitable: The Company's average gross margin is 57.3% for the period 2016-2020YTD.

Stable Revenue Performance: The Company has a strong 20-year track record of revenue stability, irrespective of prevailing market conditions. During the Great Recession, the Company grew its Total Revenue each year from \$673k in 2007, to \$939k (2008), to \$1.1MM (2009), to \$1.4MM by 2010.

Insignificant Overhead: The Company's Adjusted Operating Expenses since 2016 average just \$214,402 per annum. Management expects Buyer's required SG&A commitment to be near zero.

Debt-Free Company: The Company never carried any long-term debt on its Balance Sheet, nor has it needed to maintain any short-term debt facilities (i.e. Working Capital line-of-credit).

Contact Information & Next Steps

Interested parties should execute the attached Non-Disclosure Agreement ("NDA") and return to ACT Capital Advisors with a written request to receive the Confidential Information Memorandum ("CIM").

NDA's and CIM requests should be submitted to Michael Seeley, ACT Associate:

Email: mseeley@actcapitaladvisors.com

Direct: 206.486.3407